

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LISBON 03927 301123Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11  
TRSE-00 /066 W  
-----011954 301133Z /13

R 300929Z MAY 78  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 5840  
INFO AMCONSUL PONTA DELGADA  
AMCONSUL OPORTO

LIMITED OFFICIAL USE LISBON 3927

E. O. 11652: N/A  
TAGS: PINT PO  
SUBJ: PSD: NORTHERN PERSPECTIVE ON PARTY CRISIS

REF: LISBON 3869

1. THE FOLLOWING CABLE FROM AMCONSUL OPORTO DISCUSSES  
NORTHERN REACTION TO THE CURRENT INTERNAL PSD CRISIS.

2. BEGIN OPORTO CABLE:  
LOCAL UNCERTAINTY: LOCAL PSD SOURCES REMAIN UNCERTAIN  
WHETHER SA CARNEIRO WILL REASSUME THE PARTY PRESIDENCY  
AT THE COMING CONGRESS. THE RECENT CAMPO PRQUENO RALLY  
(REPORTED REFTEL) AND HIS CONTINUED SUPPORT AMONG RANK AND  
FILE WOULD SUGGEST THAT SA CARNEIRO COULD REGAIN CONTROL  
OF THE PARTY APPARATUS. HOWEVER, A MEMBER OF THE OPORTO  
PRO-SA CARNEIRO DISTRICT COMMISSION TOLD US LAST WEEK THAT  
SA CARNEIRO MAY HAVE ABANDONED SUCH PLANS FOR THE TIME  
BEING. THE SOURCE BASED HIS JUDGEEMENT ON SA CARNEIRO'S OFT-  
STATED POSITION THAT HE WOULD NOT RETURN TO LEAD A DIVIDED  
PARTY. AS LONG AS THE "LISBON GROUP" MAINTAINS IT PUBLIC  
OPPOSITION, SA CARNEIRO WILL CONTINUE SOLEY IN HIS PRESENT  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LISBON 03927 301123Z

CAPACITY AS THE PARTY'S "NUMBER ONE MILITANT."

3. NO MAJOR LOSSES YET: FOR SOME PARTY MEMBERS, THE  
INCONCLUSIVE RESULTS OF THE PORTALEGRE MEETING CAME AS  
AN UNWELCOME SURPRISE. THEY HAD BEEN EXPECTING A SMOOTH AND  
UNEVENTFUL RETURN TO POWER BY SA CARNEIRO. OPORTO CONTACTS  
WITHIN PSD PARISH ORGANIZATIONS MAINTAIN THAT PARTY MEMBERS

REMAIN LOYAL AND THERE ARE UNCONFIRMED REPORTS THAT PETITIONS ARE CIRCULATING AMONG PSD "BASES" CALLING FOR DISCIPLINARY ACTION AGAINST SOUSA FRANCO AND SERVULO CORREIA FOR HAVING PUBLICLY CRITICIZED SA CARNEIRO. SEVERAL MEMBERS OF THE PREVIOUS OPORTO DISTRICT COMMISSION WHO SUPPORTED SOUSA FRANCO AT THE OPORTO CONGRESS ARE NOW CONSPICUOUSLY KEEPING THEIR DISTANCE FROM CURRENT PARTY ORGANIZATION.

4. SOUSA FRANCO APPEARS IN FINE FETTER: SOUSA FRANCO SPOKE AT THE OLIVEIRA MARTINS FOUNDATION MAY 22 TO A STANDING ROOM ONLY CROWD OF 120. HIS TOPIC WAS THE IMF AND HIS REMARKS WERE WELL RECEIVED. ACCORDING TO CONOFF OBSERVER, SOUSA FRANCO APPEARED IN EXCELLENT SPIRITS AND GAVE NO INDICATION OF BITTERNESS OR DISPAIR OVER HIS RECENT FALL FROM POWER. HE ANSWERED OPENLY AND CANDIDLY WHAT FEW POLITICAL QUESTIONS WERE ASKED. WHILE HE DID NOT TRY TO GLOSS OVER HIS DISAGREEMENTS WITH SA CARNEIRO, ESPECIALLY ON A POSSIBLE REVISION OF THE CONSTITUTION, HE MADE NO CRITICISMS OR APOLOGIES.

5. SOUSA FRANCO HIGHLIGHTS:

--THE ECONOMIC PROBLEMS BESETTING PORTUGAL NECESSITATE AN ACCORD WITH THE IMF. HOWEVER, EFFORTS SHOULD BE MADE TO EXPLORE OTHER SOURCES OF FINANCIAL ASSISTANCE, SUCH AS THE WORLD BANK AND THE EUROPEAN BANK OF INVESTMENTS.

--THE IMF PRESCRIPTION OF MONETARY RESTRICTION AND ECO-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LISBON 03927 301123Z

NOMIC LIBERALIZATION IS NOT ENOUGH. MORE EFFORT NEEDS TO BE PLACED ON A COORDINATED PROGRAM OF ECONOMIC DEVELOPMENT.

--THE PS/CDS GOVERNMENT CANNOT EXERT SUCH AN EFFORT. THE ONLY ANSWER IS A "GOVERNMENT OF NATIONAL SALVATION" (PRESS REPORTS ON SOUSA FRANCO'S TALK ARE BEING POUCHED).

6. STRAW IN THE WIND: EURICO DE MELO WAS ELECTED THIS WEEK PRESIDENT OF THE PSD DISTRICT COMMITTEE FOR BRAGA. MELO IS FORMER BRAGA CIVIL GOVERNOR. HE IS CONSERVATIVE, AGGRESSIVE, AND ARTICULATE, AND CONSIDERED CLOSE TO SA CARNEIRO. AS PRESIDENT OF THE DISTRICT COMMISSION, HE AUTOMATICALLY BECOMES A MEMBER OF THE PSD PERMANENT COMMISSION OF THE NATIONAL COUNCIL.  
BLOOMFIELD

LIMITED OFFICIAL USE

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROVINCE, PUBLIC ATTITUDES, POLITICAL SITUATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LISBON03927  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780225-0960  
**Format:** TEL  
**From:** LISBON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978058/aaaaaglb.tel  
**Line Count:** 108  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 52962aa2-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LISBON 3869  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2752801  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PSD: NORTHERN PERSPECTIVE ON PARTY CRISIS  
**TAGS:** PINT, PO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/52962aa2-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014